

APPENDIX 'A'

MAGI METHODOLOGY – Groups of Individuals Subject to Modified Adjusted Gross Income (MAGI)

Group	Current methodology	New methodology under MAGI
<p><u>Parents/caretaker relatives:</u></p> <ul style="list-style-type: none"> TANF/family medical Medical extensions (Congress may allow TMA to sunset in 2013) <p>Existing mandatory low-income families under Section 1931 of the SSA (TANF/Family medical)</p> <p>New rule: 42 CFR 435.110</p>	<ul style="list-style-type: none"> Allowed 50% earned income disregard, child support paid and daycare expenses up to set limits. Medical extension based upon increase in earned income. No income test 	<p>Determine h/h composition. Exclude income under federal exclusion. Exclude child support and certain other income types. Count all remaining income. Allow 5/% disregard. Net income compared to a MAGI standard of approx 76% FPL.</p>
<p><u>Parents/caretaker relatives:</u></p> <ul style="list-style-type: none"> New optional group <p>1902(a)(10)(A)(ii)(XX) of the SSA</p> <p>New rule: 42 CFR 435.218</p>	<ul style="list-style-type: none"> Not applicable 	<p>Certain differences in eligibility i.e. Medicare eligible clients are not excluded. Income over 133% FPL and no maximum defined in Statute.</p>
<p><u>Pregnant women:</u></p> <p>Consolidates mandatory and optional coverage groups:</p> <ul style="list-style-type: none"> 1931 low income women in 3rd trimester 1902(a)(10)(A)(i)(III) Qualified Pregnant Women 1902(a)(10)(A)(i)(IV) Mandatory poverty level pregnant women 1902(a)(10)(A)(ii)(X) Poverty level pregnant women 1902(a)(10)(A)(ii)(I) AFDC criteria pregnant women 1902(a)(10)(A)(ii)(IV) Institutionalized pregnant women <p>New rule: 42 CFR 435.116</p>	<ul style="list-style-type: none"> 50% earned income disregard under TANF/Family medical \$90 earned income disregard. Deduction for child support paid out and dependent care expenses. 	<p>MAGI methodology same as above.</p> <p>Net income is compared to a MAGI based equivalent standard based on CMS approved conversion of 185% FPL standard</p>
<p><u>Children:</u></p> <p>Consolidates 7 mandatory and optional coverage groups</p> <ul style="list-style-type: none"> 1931 low-income children in TANF/Family medical h/h 	<ul style="list-style-type: none"> Family medical methodology described above, or Disregard \$90 of earned income per 	<p>MAGI methodology same as above.</p> <p>Net income is compared to a MAGI based equivalent standard based on CMS approved conversion of</p>

<ul style="list-style-type: none"> • 1902(a)(10)(A)(i)(VI) mandatory poverty level children age 1-5 • 1902(a)(10)(A)(i)(III) Qualified Children • 1902(a)(10)(A)(i)(IV) mandatory poverty-level infants • 1902(a)(10)(A)(i)(VII) Mandatory poverty-level children age 6-18 • 1902(a)(10)(A)(ii)(IV) Optional institutionalized children • 1902(a)(10)(A)(ii)(IX) Optional poverty level infants <p>Other child coverage groups still exist:</p> <ul style="list-style-type: none"> • CHIP eligible children 200-300% FPL • Disabled children (not on SSI) • Newborns born to medicaid eligible women • SSI recipient children <p>New rule: 42 CFR 435.118</p>	<p>working parent. Child support paid out and dependent care expenses with no limit.</p> <ul style="list-style-type: none"> • No income calculation for newborns 	<p>200%/300% FPL standard.</p>
<p><u>New adult group:</u></p> <ul style="list-style-type: none"> • Single or married adults currently on ABD cash or MCS medical under the Transitional Bridge waiver • Parents/Caretaker relatives with income over current TANF standard converted to MAGI equivalent • Some current MN spenddown clients • New applicants not known to the system <p>1902(a) (10)(A)(i)(VIII) of the SSA</p> <p>New rule: 42 CFR 435.119</p>	<ul style="list-style-type: none"> • Current ABD/MCS medical allows a 50% earned income disregard 	<p>Same as for parents. Compare net countable income to MAGI standard of 133% FPL.</p>